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April 25, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: OBIC Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4684
 URL: <https://www.obic.co.jp/>
 Representative: Shoichi Tachibana, President and COO
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 Telephone: +81-3-3245-6510
 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 30, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	100,167	11.9	62,490	15.4	70,223	16.7	50,116	15.2
March 31, 2022	89,476	—	54,135	12.6	60,174	14.4	43,500	14.5

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥54,874 million [8.6%]
 For the fiscal year ended March 31, 2022: ¥50,506 million [18.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	565.14	—	16.1	20.3	62.4
March 31, 2022	489.96	—	15.5	19.3	60.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥3,917 million
 For the fiscal year ended March 31, 2022: ¥4,141 million

Note: OBIC Co., Ltd. (hereinafter “the Company”) has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended March 31, 2022. The percentages indicating year-on-year changes are not presented as the figures for net sales for the fiscal year ended March 31, 2022, are the figures after the application of this accounting standard. The year-on-year change, when calculated under the assumption that the accounting standard, etc. had been applied in the fiscal year ended March 31, 2021, was an increase of 10.1%.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2023	366,708	327,864	89.4	3,697.16
March 31, 2022	323,927	293,567	90.6	3,310.49

Reference: Equity

As of March 31, 2023: ¥327,864 million

As of March 31, 2022: ¥293,567 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	52,960	1,282	(20,619)	156,321
March 31, 2022	38,972	(44,053)	(22,965)	122,699

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	92.50	–	122.50	215.00	19,065	43.9	6.8
Fiscal year ended March 31, 2023	–	110.00	–	140.00	250.00	22,170	44.2	7.1
Fiscal year ending March 31, 2024 (Forecast)	–	130.00	–	130.00	260.00		42.3	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	111,000	10.8	70,000	12.0	76,500	8.9	54,500	8.7	614.57

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	99,600,000 shares
As of March 31, 2022	99,600,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2023	10,919,907 shares
As of March 31, 2022	10,922,048 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	88,679,426 shares
Fiscal year ended March 31, 2022	88,783,219 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	93,344	13.0	60,725	15.9	66,512	18.6	46,918	16.9
March 31, 2022	82,616	10.6	52,387	12.5	56,097	14.1	40,138	14.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	529.08	–
March 31, 2022	452.10	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	305,940	271,196	88.6	3,058.15
March 31, 2022	266,077	239,240	89.9	2,697.85

Reference: Equity

As of March 31, 2023: ¥271,196 million

As of March 31, 2022: ¥239,240 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable.

Consequently, any statements herein do not constitute assurances regarding actual results by the Company.

Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Future outlook” of “1. Review of operating results and others” on page 3 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	122,699	156,321
Notes receivable - trade	161	68
Accounts receivable - trade	11,277	13,718
Contract assets	586	67
Merchandise and finished goods	68	103
Work in process	233	263
Raw materials and supplies	7	–
Other	1,118	1,205
Allowance for doubtful accounts	(1)	(2)
Total current assets	136,150	171,746
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,610	31,889
Accumulated depreciation	(5,787)	(7,124)
Buildings and structures, net	25,823	24,765
Land	27,636	27,636
Other	6,747	6,891
Accumulated depreciation	(4,085)	(4,014)
Other, net	2,661	2,876
Total property, plant and equipment	56,121	55,279
Intangible assets		
Other	154	144
Total intangible assets	154	144
Investments and other assets		
Investment securities	118,570	137,226
Deferred tax assets	221	251
Deferred tax assets for land revaluation	212	212
Long-term time deposits	10,658	–
Other	1,840	1,853
Allowance for doubtful accounts	(2)	(5)
Total investments and other assets	131,500	139,538
Total non-current assets	187,776	194,962
Total assets	323,927	366,708

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,606	4,186
Income taxes payable	8,552	12,941
Unearned revenue	1,194	1,300
Provision for bonuses	2,372	2,402
Provision for bonuses for directors (and other officers)	129	182
Provision for special bonuses for founders	360	–
Other	4,851	6,053
Total current liabilities	21,066	27,067
Non-current liabilities		
Retirement benefit liability	5,942	5,940
Asset retirement obligations	358	398
Deferred tax liabilities	1,210	3,389
Other	1,782	2,047
Total non-current liabilities	9,293	11,776
Total liabilities	30,359	38,843
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,530	19,567
Retained earnings	265,985	295,484
Treasury shares	(27,562)	(27,558)
Total shareholders' equity	277,131	306,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,877	21,567
Revaluation reserve for land	(481)	(481)
Remeasurements of defined benefit plans	39	106
Total accumulated other comprehensive income	16,435	21,192
Total net assets	293,567	327,864
Total liabilities and net assets	323,927	366,708

(2) Consolidated statement of income and consolidated statement of comprehensive income**(Consolidated statement of income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	89,476	100,167
Cost of sales	21,518	22,942
Gross profit	67,958	77,224
Selling, general and administrative expenses	13,822	14,734
Operating profit	54,135	62,490
Non-operating income		
Interest income	14	70
Dividend income	855	2,271
Gain on sale of investment securities	3	–
Share of profit of entities accounted for using equity method	4,141	3,917
Rental income	1,602	1,706
Foreign exchange gains	657	1,901
Other	300	71
Total non-operating income	7,575	9,939
Non-operating expenses		
Loss on valuation of investment securities	1	3
Rental expenses	1,533	1,505
Cancellation fee	–	696
Other	1	0
Total non-operating expenses	1,536	2,205
Ordinary profit	60,174	70,223
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on sale of shares of subsidiaries and associates	1	–
Total extraordinary income	4	1
Extraordinary losses		
Provision for special bonuses for founders	360	–
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	5	0
Loss on valuation of membership	19	–
Total extraordinary losses	384	0
Profit before income taxes	59,793	70,225
Income taxes - current	15,808	20,458
Income taxes - deferred	484	(350)
Total income taxes	16,293	20,108
Profit	43,500	50,116
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	43,500	50,116

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	43,500	50,116
Other comprehensive income		
Valuation difference on available-for-sale securities	6,277	5,619
Revaluation reserve for land	213	—
Remeasurements of defined benefit plans, net of tax	69	43
Share of other comprehensive income of entities accounted for using equity method	445	(905)
Total other comprehensive income	7,006	4,757
Comprehensive income	50,506	54,874
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	50,506	54,874
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,178	19,530	240,028	(22,140)	256,596
Changes during period					
Dividends of surplus			(17,542)		(17,542)
Profit attributable to owners of parent			43,500		43,500
Disposal of treasury shares					-
Purchase of treasury shares				(5,422)	(5,422)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	25,957	(5,422)	20,534
Balance at end of period	19,178	19,530	265,985	(27,562)	277,131

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	10,162	(694)	(39)	9,428	266,025
Changes during period					
Dividends of surplus					(17,542)
Profit attributable to owners of parent					43,500
Disposal of treasury shares					-
Purchase of treasury shares					(5,422)
Net changes in items other than shareholders' equity	6,714	213	78	7,006	7,006
Total changes during period	6,714	213	78	7,006	27,541
Balance at end of period	16,877	(481)	39	16,435	293,567

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,178	19,530	265,985	(27,562)	277,131
Changes during period					
Dividends of surplus			(20,617)		(20,617)
Profit attributable to owners of parent			50,116		50,116
Disposal of treasury shares		36		5	42
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					–
Total changes during period	–	36	29,498	4	29,540
Balance at end of period	19,178	19,567	295,484	(27,558)	306,671

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	16,877	(481)	39	16,435	293,567
Changes during period					
Dividends of surplus					(20,617)
Profit attributable to owners of parent					50,116
Disposal of treasury shares					42
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	4,689		67	4,757	4,757
Total changes during period	4,689	–	67	4,757	34,297
Balance at end of period	21,567	(481)	106	21,192	327,864

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	59,793	70,225
Depreciation	2,429	2,511
Share of loss (profit) of entities accounted for using equity method	(4,141)	(3,917)
Loss (gain) on sale of investment securities	(3)	–
Increase (decrease) in provision for bonuses for directors (and other officers)	24	53
Increase (decrease) in provision for special bonuses for founders	360	(360)
Increase (decrease) in allowance for doubtful accounts	0	4
Increase (decrease) in retirement benefit liability	(3)	60
Interest and dividend income	(870)	(2,341)
Decrease (increase) in trade receivables	(989)	(1,829)
Decrease (increase) in inventories	26	(57)
Increase (decrease) in trade payables	83	580
Increase (decrease) in accrued consumption taxes	(2,177)	521
Other, net	(1,227)	(504)
Subtotal	53,304	64,943
Interest and dividends received	2,660	4,294
Income taxes paid	(16,993)	(16,277)
Net cash provided by (used in) operating activities	38,972	52,960
Cash flows from investing activities		
Payments into time deposits	(10,000)	–
Proceeds from withdrawal of time deposits	–	11,865
Purchase of property, plant and equipment	(1,820)	(1,119)
Proceeds from sale of property, plant and equipment	5	2
Purchase of intangible assets	(90)	(40)
Purchase of investment securities	(32,159)	(9,531)
Proceeds from sale of investment securities	9	–
Proceeds from sale of shares of subsidiaries and associates	234	–
Other, net	(231)	106
Net cash provided by (used in) investing activities	(44,053)	1,282
Cash flows from financing activities		
Purchase of treasury shares	(5,422)	(1)
Dividends paid	(17,542)	(20,617)
Net cash provided by (used in) financing activities	(22,965)	(20,619)
Effect of exchange rate change on cash and cash equivalents	–	(2)
Net increase (decrease) in cash and cash equivalents	(28,046)	33,622
Cash and cash equivalents at beginning of period	150,745	122,699
Cash and cash equivalents at end of period	122,699	156,321